

TARIFF ACTION MEMORANDUM

File No.: TL181-304

Date: February 18, 2022

Date Filed: January 24, 2022

Statutory Timeline: February 23, 2022

Name of Utility/Pipeline: ExxonMobil Pipeline Company (EMPCo) - CPCN No. 304

Tariff Recommendation:

Staff recommends the Commission approve Tariff Sheet No.10, which includes the adoption by reference of EMPCo's current FERC Tariff No. 404.20.0, filed January 24, 2022, as shown on Attachment CNR-1. The effective date of the tariff sheet should be February 1, 2022.

Reason(s) for the above-indicated recommendation: See attached memorandum.

Signed:¹ Cameron N. Rollins Title: Utility Engineering Analyst
Cameron Rollins

Commission decision regarding this recommendation:

	Date (if different than <u>February 18, 2022</u>)	I <u>CONCUR</u>	I <u>DO NOT CONCUR</u>	I WILL WRITE A DISSENTING <u>STATEMENT *</u>
Pickett		<u>RMP</u>		
Kurber	<u>2/22/22</u>	<u>KKT</u>		
Scott	<u>2/22/2022</u>	<u>AGS</u> <small>AGS</small>		
Sullivan		<u>DS</u> <small>DS</small>		
Wilson	<u>2/22/22</u>	<u>JWW</u> <small>JWW</small>		

If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

¹ This document was signed on February 18, 2022.

STATE OF ALASKA
The Regulatory Commission of Alaska
701 West 8th Ave., Suite 300
Anchorage, Alaska 99501-3469

M E M O R A N D U M

TO: Commissioners:
Robert M. Pickett, Chairman
Keith Kurber II
Antony G. Scott
Daniel A. Sullivan
Janis W. Wilson

DATE: February 18, 2021

FROM: Cameron Rollins, Utility Engineering Analyst

Subject: TL181-304 - EMPCo Tariff revision

Statement of Case

ExxonMobil Pipeline Company (EMPCo) has requested the Regulatory Commission of Alaska (Commission) approve revisions to its Tariff Sheet No. 10, received by the Commission on January 24, 2022, with an effective date of February 1, 2022.

The Commission must determine whether to approve or suspend the tariff filing.

Recommendation

Staff recommends the Commission approve Tariff Sheet No.10, which includes the adoption by reference of EMPCo's current FERC Tariff No. 404.20.0, filed January 24, 2022, as shown on Attachment CNR-1. The effective date of the tariff sheet should be February 1, 2022.

Procedural History

On January 24, 2022, EMPCo filed TL181-304 seeking approval of revisions to its Tariff Sheet No. 10.²

Public notice was waived for this filing.³

² *ExxonMobil Pipeline Company - Compliance Filing with P-99-012(26) et al. (TAPS Quality Bank)*, filed January 24, 2022 (TL181-304).

³ *Waiver of Public Notice for Annual TAPS Quality Bank Filings*, filed January 24, 2022. The Commission Chair determined that public notice is not required, as this annual filing is made in compliance with Commission and FERC Orders.

On February 9, 2022, Tesoro Alaska Company LLC (Tesoro) filed a petition to intervene.⁴ As of the time of this memorandum, no comments or protests have been filed with the Commission.

Discussion

Quality Bank Methodology

Previous FERC⁵ and Commission⁶ Orders require that adjustments to the reference prices for Light Distillate, Heavy Distillate, and Resid, be revised each year in accordance with the changes to the Nelson-Farrar Cost Index (Operating Indexes Refinery), by multiplying the adjustments or costs for the previous year by the ratio of (1) the average of the monthly indexes for the most recent 12 consecutive months to (2) the average of the monthly indexes for the previous 12 consecutive months.

Although the Commission does not have direct jurisdiction over the content of EMPCo's FERC Tariff, EMPCo has provided a table showing the updated TAPS Quality Bank index ratio, price adjustments and regression analysis used to derive monthly fuel indexes from February 1, 2021, through January 31, 2022.⁷

Commission Compliance

EMPCo made this tariff advice filing in compliance with 3 AAC 48.200 – 3 AAC 48.430, addressing the filing of a tariff. Commission staff is required to review a filing for consistency with the Commission regulations and orders. Regarding tariffs, the Commission is charged with ensuring that rates⁸ and services⁹ are just, reasonable, and non-discriminatory.¹⁰ Staff also reviews the proposed tariff language for conformance with accepted industry standards and practices.

Pursuant to 3 AAC 48.270(a), EMPCo estimates that there will be no change in annual revenues for each of its intrastate destinations.¹¹ EMPCo states, "EMPCo does not receive any revenue from the Quality Bank. It is an adjustment among shippers. As a

⁴ *Petition to Intervene of Tesoro Alaska Company LLC*, filed February 9, 2022 (Petition). After discussion with the CDM and ALJ, it was determined that the petition to intervene is not ripe for consideration unless there is some form of protest against the filing.

⁵ See 113 FERC ¶ 61,062 (2005) (Opinion No. 481); 114 FERC ¶ 61,323 (2006) (Opinion No. 481-A); 115 FERC ¶ 61,287 (2006) (Opinion No. 481-B)

⁶ See P-89-1(104) / P-89-2(98) / P-94-4(37) / P-96-6(24) / P-98-9(16) / P-99-12(19), *Order Adopting Federal Energy Regulatory Commission Opinion No. 481 Issued in FERC Docket No. OR89-2 et al. and Order Dismissing Complaint Issued in Docket No. OR05-9, and Affirming Electronic Ruling*, dated October 20, 2005; P-89-1(109) / P-89-2(103) / P-94-4(42) / P-96-6(29) / P-98-9(21) / P-99-12(24) (2006); P-89-1(111) / P-89-2(105) / P-94-4(44) / P-96-6(31) / P-98-9(23) / P-99-12(26), *Order Adopting Federal Energy Regulatory Commission Opinion No. 481-A, Adopting Federal Energy Regulatory Commission Order Denying Rehearing and Requiring Filing*, dated March 31, 2006.

⁷ *TL181-304*, Attachments A and B.

⁸ AS 42.06.370(a)

⁹ AS 42.06.310

¹⁰ AS 42.06.320

¹¹ *TL181-304*, p. 2.

result, there is no effect on EMPCo's annual intrastate revenues as a result of the proposed change."¹²

State Tariff Sheet No. 10

EMPCo's State Tariff Sheet No. 10 incorporates by reference its FERC Tariff No. 404.20.0. FERC Tariff No. 404.20.0 relates to EMPCo's current Quality Bank Methodology for the Trans Alaska Pipeline System (TAPS).

The only revision to EMPCo's State tariff proposed in this filing is to update the reference to its currently effective FERC Tariff. Staff's review of the EMPCo's proposed revision to State Tariff Sheet No. 10 confirms that it meets the minimum requirements of 3 AAC 48.330; 3 AAC 48.340(a), (b), and (c); and 3 AAC 48.360(d) and (g),¹³ and therefore should be approved by the Commission.

Conclusion

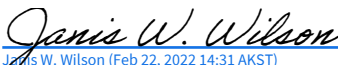
Staff recommends the Commission approve Tariff Sheet No.10, which includes the adoption by reference of EMPCo's current FERC Tariff No. 404.20.0, filed January 24, 2022, as shown on Attachment CNR-1. The effective date of the tariff sheet should be February 1, 2022.

Signature: 
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Daniel Sullivan (Feb 22, 2022 11:22 AKST)
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Signature: 
Janis W. Wilson (Feb 22, 2022 14:31 AKST)
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¹² TL181-304, p.2 fn.1.

¹³ 3 AAC 48.330 provides requirements on the format of each state tariff sheet. 3 AAC 48.340(a) requires each new tariff sheet to have the letters "RCA" in the upper left-hand corner of each tariff sheet. 3 AAC 48.340(b) requires each sheet of every tariff must bear a sheet number. 3 AAC 48.340(c) explains how each tariff sheet must be labeled as to which revision is the current revision. 3 AAC 48.360(d) provides directions to a pipeline carrier also subject to federal jurisdiction on the placement of sections of its currently effective federal tariff which are applicable to intrastate transportation of oil and petroleum products. 3 AAC 48.360(g) provide information to pipeline carriers on the use and location of symbols noting modification of rules and regulations found in tariffs.

RCA No. 304 18th Revised Sheet No. 10

Canceling

17th Revised Sheet No. 10

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RCA No. 304 19th Revised Sheet No. 10

Canceling

18th Revised Sheet No. 10



EXXONMOBIL PIPELINE COMPANY	
<p style="text-align: center;"><u>FERC Tariff</u></p> <p>FERC Tariff No. 404.19.0 and reissues thereof (TAPS Quality Bank Methodology), effective July 1, 2021, and the FERC Tariff No. 405.2.0 and reissues thereof (TAPS Rules and Regulations) effective October 1, 2021, were both filed electronically with the FERC. Both tariffs (Nos. 404.19.0 and 405.2.0) are applicable to the intrastate transportation of petroleum and are incorporated by reference in RCA Tariff No. 2.</p> <div style="text-align: right;">[C] [C] [C]</div>	
<p>Symbols: [C] To denote a changed condition or regulation</p>	
Tariff Advice No. TL 180-304	Effective Date: October 1, 2021
Issued by: ExxonMobil Pipeline Company	

EXXONMOBIL PIPELINE COMPANY	
<p style="text-align: center;"><u>FERC Tariff</u></p> <p>FERC Tariff No. 404.20.0 and reissues thereof (TAPS Quality Bank Methodology), effective February 1, 2022, and the FERC Tariff No. 405.2.0 and reissues thereof (TAPS Rules and Regulations) effective October 1, 2021, were both filed electronically with the FERC. Both tariffs (Nos. 404.20.0 and 405.2.0) are applicable to the intrastate transportation of petroleum and are incorporated by reference in RCA Tariff No. 2.</p> <div style="text-align: right;">[C] [C] [C]</div>	
<p>Symbols: [C] To denote a changed condition or regulation</p>	
Tariff Advice No. TL 181-304	Effective Date: February 1, 2022
Issued by: ExxonMobil Pipeline Company	

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